For immediate release

Sherritt Announces Q1 2017 Results

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Toronto, Ontario – April 26, 2017 – Sherritt International Corporation ("Sherritt" or the "Corporation") (TSX: S), the world leader in the mining and refining of nickel from lateritic ores, today reported its financial results for the three months ended March 31, 2017.

"During the quarter, our nickel, oil and power operations all generated free cash flow(1), allowing us to repay another $20.5 million on our revolving credit facility, and still maintain a cash position of just over $300 million at quarter end," said David Pathe, President and CEO of Sherritt International. "While nickel prices remain relatively weak, we have seen a significant increase in the price of cobalt. As the producer of around 6% of the world's cobalt, this enhances our cash flow generating capacity going forward."

Q1 2017 HIGHLIGHTS

- Sherritt repaid $20.5 million of recourse borrowings in the first quarter of 2017, ending the quarter with cash, cash equivalents and short-term investments of $300.7 million, down $8.9 million from their level at year end 2016. The first quarter of 2017 benefited from a higher level of Cuban energy payments received (US$37.6 million) compared to payments of US$18.3 million received in the fourth quarter of 2016.
- First quarter 2017 Net Direct Cash Costs (NDCC) of US$3.25/lb at the Moa JV and US$3.93/lb at the Ambatovy Joint Venture are both improvements over their prior year comparables of US$3.34/lb and US$4.41/lb respectively. Moa's first quarter NDCC is a significant improvement from fourth quarter 2016 NDCC of US$3.80/lb, while Ambatovy's fourth quarter 2016 NDCC represented Ambatovy's best cost profile since inception.
- Average reference prices in the first quarter of 2017 relative to first quarter of 2016 were up 21% in nickel, 85% in cobalt and 116% in Gulf Coast Fuel Oil 6, the benchmark price for Sherritt's Cuban oil production. Comparing the commodity price performance to the fourth quarter 2016, the nickel price fell by 5%, while cobalt prices continued to increase (up 47% from the fourth quarter 2016 average) and Gulf Coast Fuel Oil 6 increased by 11%.
- The Hurricane Matthew impacts that limited mixed sulphides production in the fourth quarter last year had a continuing effect into the first quarter this year as the reduced mixed sulphide shipments out of Moa to the Fort Saskatchewan refinery landed and were refined during the first quarter. Moa nickel production was down 9% over first quarter 2016 production, but consistent with fourth quarter 2016 levels.
- Ambatovy nickel production was down 14% compared to first quarter 2016, and down 25% from fourth quarter 2016, reflecting the impact of a power trip in late January as well as limited acid production in February caused by unplanned repairs required on a molten sulphur tank. Equipment reliability related to acid production remains a risk in the second quarter, due to ongoing repairs and maintenance. In early March, Madagascar was also hit by Cyclone Enawo, the third most damaging cyclone on record in the country. Ambatovy was able to continue operating through the cyclone event, although production rates were reduced due to the impacts of extreme wind and rain on open pit mining operations and bulk commodity handling in the process plant. Staffing was also minimized to allow employees to be with their families during the cyclone event.
- The first results from Block 10 drilling were announced by press release dated March 17, 2017. The well targeted the previously discovered Lower Veloz formation in the Bay of Cardenas, Province of Matanzas, Cuba. The lower leg of the well was abandoned due to geotechnical instability in the wellbore. By utilizing part of the first well, the capital cost to drill the second well, again targeting the Lower Veloz, will be significantly less, estimated at US$8 million. Any future capital in Block 10 will be contingent upon success in this well, and expected capital spending for the year will be revised when the well has been completed and results disclosed.

- The net loss of $72.6 million for the quarter ended March 31, 2017 compares to a net loss of $47.8 million in the first quarter of 2016, which benefited from a significant unrealized foreign exchange gain of $76 million in financing expense, compared to an unrealized $7.3 million gain this quarter.

All amounts are Canadian dollars unless otherwise indicated.
(1) For additional information see the Non-GAAP measures section of this press release.

Q1 2017 FINANCIAL HIGHLIGHTS

$ millions, except as otherwise noted, for the three months ended March 31		2017		2016	Change
Revenue	$	**72.4**	$	58.4	24%
Combined Revenue[1]		**228.0**		191.3	19%
Net (loss) earnings for the period		**(72.6)**		(47.8)	(52%)
Adjusted EBITDA[1]		**37.2**		(9.1)	509%
Cash provided (used) by continuing operations		**16.6**		(9.7)	271%
Combined adjusted operating cash flow [1]		**20.5**		(22.2)	192%
Combined free cash flow[1]		**10.0**		(31.4)	132%
Net (loss) earnings from continuing operations per share		**(0.25)**		(0.16)	(56%)

(1) For additional information, see the Non-GAAP measures section of this release.

$ millions, except as otherwise noted, as at		2017 March 31		2016 December 31	Change
Cash, cash equivalents and short term investments	$	**300.7**	$	309.6	(3%)
Non-recourse loans and borrowings		**1,356.8**		1,367.5	(1%)
Other loans and borrowings		**840.2**		860.7	(2%)

In the first quarter of 2017, operating cash flow was generated by the Oil and Gas and Metals operations in equal proportion ($14.0 million and $14.1 milllion respectively), and the Power operations provided $12.8 million. Adjusted EBITDA of $9.2 million was generated by the Power operations, and in addition, a positive change in non-cash working capital of $3.9 million occurred.

During the quarter, US$37.6 million of Cuban energy payments were received compared to US$18.3 million in the fourth quarter of 2016. Included in this amount was US$25.0 million received by Oil and Gas and US$12.6 million received from Energas in Power. Overdue receivables in Oil declined to US$22.3 million at quarter end, and a further US$7 million has been received from the Cubans toward Oil and Gas payments in April.

The US$12.6 million payment was not in the form of CSA interest or repayment of principal, but was against other receivables and was the first Energas payment received since July of 2016.

Adjusted earnings (loss) from continuing operations[1]

For the three months ended March 31	2017 $ millions	2017 $/share	2016 $ millions	2016 $/share
Net loss from continuing operations	**(72.6)**	**(0.25)**	(47.8)	(0.16)
Adjusting items, net of tax:				
Unrealized foreign exchange (gain) loss	**(7.3)**	**(0.02)**	(76.0)	(0.26)
Other	**(2.8)**	**(0.01)**	(3.1)	(0.01)
Adjusted net loss from continuing operations	**(82.7)**	**(0.28)**	(126.9)	(0.43)

(1) For additional information, see the Non-GAAP measures section of this release.

The net loss from continuing operations in the first quarter of 2017 was $72.6 million, which included a $7.3 million unrealized foreign exchange gain, and a $3.3 million gain relating to VAT adjustments. A small negative adjustment of $0.5 million was also recorded for severance changes.

REVIEW OF OPERATIONS

METALS

$ millions, except as otherwise noted, for the three months ended March 31	**2017**				2016					
	Moa JV and Fort Site[(1)] (50%)	**Ambatovy JV (40%)**	**Other[(2)]**	**Total**	Moa JV and Fort Site[(1)] (50%)	Ambatovy JV (40%)	Other[(2)]	Total	Change
FINANCIAL HIGHLIGHTS									
Revenue	$ **90.4**	$ **74.8**	$ **14.3**	$ **179.5**	$ 76.7	$ 65.1	$ 11.2	$ 153.0	17%
(Loss) earnings from operations	**2.0**	**(29.0)**	**0.3**	**(26.7)**	(11.3)	(49.9)	0.3	(60.9)	56%
Adjusted EBITDA[(3)]	**12.8**	**8.2**	**0.3**	**21.3**	(0.2)	(12.8)	0.3	(12.7)	268%
Cash provided (used) by operations	**14.8**	**(2.3)**	**1.6**	**14.1**	(3.0)	(5.5)	4.2	(4.3)	428%
Free cash flow[(3)]	**12.6**	**(6.3)**	**1.6**	**7.9**	(10.6)	(5.5)	4.2	(11.9)	166%
PRODUCTION VOLUMES (tonnes)									
Mixed Sulphides	**4,282**	**4,317**	**-**	**8,599**	4,321	4,571	-	8,892	(3%)
Finished Nickel	**3,840**	**3,817**	**-**	**7,657**	4,242	4,442	-	8,684	(12%)
Finished Cobalt	**436**	**323**	**-**	**759**	499	365	-	864	(12%)
Fertilizer	**58,868**	**11,796**	**-**	**70,664**	70,907	14,355	-	85,262	(17%)
NICKEL RECOVERY (%)	**85%**	**85%**			88%	87%			
SALES VOLUMES (tonnes)									
Finished Nickel	**3,862**	**3,810**	**-**	**7,672**	4,141	4,491	-	8,632	(11%)
Finished Cobalt	**421**	**354**	**-**	**775**	468	332	-	800	(3%)
Fertilizer	**37,454**	**12,447**	**-**	**49,901**	31,713	14,107	-	45,820	9%
AVERAGE EXCHANGE RATE (CAD/USD)				**1.324**				1.373	(4%)
AVERAGE REFERENCE PRICES (US$ per pound)[(3)]									
Nickel				$ **4.66**				$ 3.86	21%
Cobalt				**19.80**				10.70	85%
AVERAGE-REALIZED PRICES[(3)]									
Nickel ($ per pound)	$ **6.19**	$ **6.15**		$ **6.17**	$ 5.17	$ 5.15		$ 5.16	20%
Cobalt ($ per pound)	**24.19**	**26.75**		**25.38**	13.84	15.39		14.52	75%
Fertilizer ($ per tonne)	**343**	**164**		**297**	391	186		327	(9%)
UNIT OPERATING COSTS (US$ per pound)[(3)]									
Nickel - net direct cash cost	$ **3.25**	$ **3.93**		**3.59**	$ 3.34	$ 4.41		$ 3.90	(8%)
SPENDING ON CAPITAL[(4)]									
Sustaining	$ **2.1**	$ **8.4**	$ **-**	$ **10.5**	$ 3.8	$ 1.7	$ -	$ 5.5	91%
Expansion	**-**	**-**	**-**	**-**	4.0	-	-	4.0	(100%)
	$ **2.1**	$ **8.4**	$ **-**	$ **10.5**	$ 7.8	$ 1.7	$ -	$ 9.5	(25%)

(1) Includes results for certain 100% owned assets at Fort Saskatchewan plant.
(2) Includes results for Sherritt's marketing organizations for certain Ambatovy and Moa Joint Venture sales.
(3) For additional information, see the Non-GAAP measures section of this release.
(4) Spending on capital includes accruals.

METAL MARKETS

Nickel

The nickel average reference price for the quarter is up by 21% compared to the same period last year, from US$3.86/lb to US$4.66/lb, but below the Q4 2016 average of US$4.90/lb.

Although the average price has been relatively flat since the fourth quarter of last year, prices have varied significantly through the three months. Nickel prices hit a low of US$4.25/lb following the announcement of potential relaxation of the Indonesian ore export ban in the first half of January and a high of US$5.01/lb in February when the Filipino threat of mine closures exerted a strong positive influence over market sentiment. After that, prices started to fall again in March due to the announcement by the Indonesian government that higher than previously announced export quantities may be allowed. The Filipino and Indonesian announcements will likely continue to influence nickel prices in contrary directions through the rest of 2017 in the absence of fundamental changes to the supply/demand balance.

Fundamental long-term demand remains strong for high quality nickel with a positive trend in the aerospace and the electric vehicle sectors but the supply/demand short term balance is difficult to predict due to the high level of political uncertainties around the Philippines and Indonesia.

Cobalt

Cobalt prices have increased dramatically in Q1 2017; the cobalt reference price is up by 66% since the start of the year with an average reference price at US$19.80/lb for the quarter and an average above US$24/lb in March. Prices breached the US$25/lb mark in late March, a level not touched since November 2008.

Several factors support this trend, including steady demand from the aerospace segment, strong projections for future cobalt consumption in batteries and increased interest from financial investors, who have entered the market for physical material as they are bullish longer term. In addition to this strong demand, supply issues should lead to a deficit in 2017 and contribute to the current price rally with quality issues at one of the high grade producers and growing pressure from consumers to ensure cobalt supplies from the DRC are not in contravention of any human rights laws. For instance, after the 2016 publication of several reports on child labour in the country, Apple has required its cobalt suppliers to suspend sourcing raw material feed from unverified artisanal miners. If other suppliers follow this same practice, available supply from mainstream producers will be strained over the mid to long term.

Moa Joint Venture (50% interest) and Fort Site (100%)

The Moa JV finished nickel production of 3,840 tonnes (50% basis) in the first quarter is 9% lower than its level last year and up 2% from fourth quarter 2016 production. The discussion in the fourth quarter 2016 MD&A concerning impacts from Hurricane Matthew and the subsequent bridge collapse carries over into the first quarter this year. Lower mixed sulphides production in the fourth quarter of 2016 (3,674 tonnes) was shipped to the Fort Site for refining, with all shipments after the first week in December landing at the Fort Site in the first quarter this year. Mixed sulphide production has recovered to 4,282 tonnes in the first quarter, which is consistent with plan, and is expected to trend higher as the year progresses, and new mining equipment arrives. Similar to the fourth quarter 2016 pattern, the Fort Site refinery utilized more third party feed to compensate for lower mixed sulphides from Moa, which is generally reflected in higher third party feed costs as has been seen in Q4 2016 and Q1 2017.

Revenue in the quarter is up 18% from its comparable period last year, mainly reflecting the change in cobalt pricing, but is flat from fourth quarter 2016 revenue despite the increased cobalt price. This is mainly due to cobalt sales volumes down by 14% compared to fourth quarter 2016 levels where timing of shipments resulted in 105 tonnes of sales higher than production in the fourth quarter 2016. Fertilizer sales volumes were up 18% compared to first quarter 2016 levels in anticipation of a stronger spring season, but fertilizer prices are lower than their year-ago levels, although they have increased over the last two consecutive quarters. The stronger Canadian dollar in the first quarter of 2017 compared to 2016 also has a negative impact on revenue, as the exchange rate has strengthened by approximately five cents from $1.373 to $1.324 per USD.

The NDCC of US$3.25/lb of nickel in the first quarter is an improvement on the year-ago level of US$3.34/lb despite lower levels of production and a lower fertilizer credit. The lower production levels are the main factor behind the higher Mining, Processing & Refining costs of US$4.75/lb, combined with higher planned maintenance activity and higher energy costs, partially offset by the benefits of the third acid plant. Going forward, higher energy costs are expected to persist along with the higher planned maintenance activity, while the third acid plant continues to deliver an approximate US$0.50/lb benefit. Higher energy costs also impact the fertilizer margins, as can be seen in the lower NDCC credit. Third party feed costs of US$0.49/lb are similar to their levels in the fourth quarter of 2016. The cobalt credit was US$1.99/lb despite lower cobalt sales volume in the quarter, and is expected to remain strong with robust cobalt prices. For the Moa JV's cash contribution, an approximately US$8/lb change in the cobalt price equals a US$1/lb change in the nickel price.

Cash provided by operations of $14.8 million in the first quarter includes a positive change in non-cash working capital of $5.7 million, which is mainly pre-buys of fertilizer.

Capital spending of $2.1 million in the quarter is expected to increase next quarter and over the course of the year. The Moa JV is expected to operate and to fund capital expenditures through internally generated cash flow and/or external loans.

The annual planned refinery shutdown is scheduled to last for one week in the second quarter, at which time planned maintenance will be carried out.

Ambatovy Joint Venture (40% interest)(1)

Nickel production was 14% lower than first quarter 2016, and 25% lower than fourth quarter 2016, reflecting the impact of a power trip in late January as well as limited acid production in February caused by unplanned repairs required on a molten sulphur tank. In early March, Madagascar was also hit by Cyclone Enawo, the third most damaging cyclone on record in the country. Ambatovy was able to continue operating through the cyclone event, although production rates were impacted by extreme wind and rain on open pit mining operations and bulk commodity handling in the process plant. Staffing was also minimized to allow employees to be with their families during the cyclone event. Production returned to normal levels at the end of the quarter, although ongoing repairs and equipment reliability issues in the sulphuric acid production area continue to affect production into the second quarter. Ambatovy PAL ore throughput in the first quarter operated at 67% of design capacity.

Despite this decrease in production, revenue is up by 15% on a year-over-year basis, as the lower production was more than offset by the increase in realized prices with a 19% increase in nickel average realized prices and a 74% increase in cobalt average realized prices compared to the same period in the prior year. The increases on a U.S. dollar basis are more significant, but the average exchange rate in the first quarter of 2017 is approximately five cents higher than its comparable level in the first quarter of 2016. Sales of cobalt in the first quarter this year were higher than production as one shipment was delayed at the end of 2016 and shipped in 2017. Cobalt revenue accounted for 28% of total Ambatovy revenue in the first quarter of 2017 compared to 17% in the comparable quarter last year.

The NDCC of US$3.93/lb for the first quarter is an 11% improvement over the comparable period last year, but is US$0.83/lb higher compared to Q4 2016, which was the best quarter since inception, and is above the 2017 guidance range due to the weaker production.

Capital spending was as expected, with 2017 estimated capital spending all relating to sustaining capital required for mining and production equipment, including the purchase of articulated dump trucks.

Sherritt has not funded any cash calls since achieving financial completion, with total post-completion funding provided by Sumitomo and KORES of US$173 million as of March 31, 2017. This amount is unchanged from year end 2016, as no additional cash call funding was provided in the first quarter this year. Funding is intended to cover operating losses, capital spending and interest (amounting to US$59.5 million annually) on the Ambatovy Joint Venture project financing. As of March 31, 2017, the cash position at Ambatovy was $65 million (100% basis).

By agreement amongst the partners, Sherritt is not considered to be a defaulting shareholder under the Shareholders Agreement for amounts not funded through May 2, 2017 Discussions continue regarding the partnership structure and future funding arrangements.

(1) 70% of Sherritt's distributable cash flow from Ambatovy (after opex, capex and project debt service) goes to Partner Loan repayment, leaving Sherritt with 30%; 30% of Sherritt's 40% ownership = 12%.

OIL AND GAS

$ millions, except as otherwise noted, for the three months ended March 31	2017	2016	Change
FINANCIAL HIGHLIGHTS			
Revenue	**$ 35.3**	$ 22.4	58%
Earnings (loss) from operations	**11.0**	(8.7)	226%
Adjusted EBITDA[(1)]	**19.6**	4.0	390%
Cash provided by operations	**14.0**	2.6	438%
Free cash flow[(1)]	**10.3**	(2.4)	529%
PRODUCTION AND SALES (boepd)			
Gross working-interest (GWI) - Cuba	**15,213**	16,449	(8%)
Total net working-interest (NWI)	**8,889**	10,504	(15%)
AVERAGE EXCHANGE RATE (CAD/USD)	**1.324**	1.373	(4%)
AVERAGE REFERENCE PRICE (US$ per barrel)			
West Texas Intermediate (WTI)	**$ 51.62**	$ 33.40	55%
Gulf Coast Fuel Oil No. 6	**45.63**	21.13	116%
Brent	**53.33**	33.64	59%
AVERAGE-REALIZED PRICE[(1)] (NWI)			
Cuba ($ per barrel)	**43.62**	$ 21.80	100%
UNIT OPERATING COSTS[(1)] (GWI)			
Cuba ($ per barrel)	**8.66**	$ 9.53	(9%)
SPENDING ON CAPITAL[(2)]			
Development, facilities and other	**$ (0.8)**	$ 4.1	(120%)
Exploration	**3.8**	0.6	533%
	$ 3.0	$ 4.7	(36%)

(1) For additional information, see the Non-GAAP measures section of this release.
(2) Spending on capital includes accruals.

Cuba gross working-interest oil production of 15,213 bopd in the first quarter is down 8% from the same period last year, reflecting natural reservoir declines. This is an improvement over Q4 2016 levels, due to well optimization and production guidance is unchanged for 2017.

Revenue in the first quarter of 2017 was up 58% from its comparable quarter last year, with Gulf Coast Fuel Oil 6 (GCF6) prices averaging US$45.63/barrel compared to US$21.13/barrel in the first quarter last year, which was the low point of the year. GCF6 prices averaged 88% of WTI crude prices in the first quarter of 2017, compared to only 63% in the first quarter last year.

Cost-recovery oil production in Cuba in the first quarter of 2017 was down 46% from its comparable level a year ago, due to the combination of lower spending and higher oil prices which result in fewer cost recovery barrels.

Despite the decrease in production, the unit operating costs are down by 9% on a year-over-year basis, reflecting lower labour and treatment and transportation costs.

The results from the first well in Block 10 were announced by press release during the first quarter, as described in the "Highlights" earlier. The well targeted the previously discovered Lower Veloz formation, but the lower section of the well was abandoned due to geotechnical instability in the wellbore. The capital cost associated with drilling the well was approximately $24.1 million, reflecting the complexity encountered. Analysis of the logging data has been integrated into the seismic model, and these results along with the technical solutions associated with the geotechnical issues will be incorporated in the drilling of the next well which will utilize part of the cased section of the first well drilled at a different trajectory, again targeting the Lower Veloz. By utilizing part of the first well, the capital cost of the second well will be significantly less, estimated at US$8 million ($10.6 million Canadian). Any future capital in Block 10 will be contingent upon success in this well, and expected capital spending for the year will be revised when the well has been completed and results disclosed.

Capital spending is down 36% in this quarter compared to the first quarter of 2016 and reflects a delay in seismic survey activity on Block 8A, which was budgeted to start in January and is now scheduled to commence in October.

POWER

$ millions (33⅓% basis), except as otherwise noted, for the three months ended March 31		**2017**		2016	Change
FINANCIAL HIGHLIGHTS					
Revenue	**$**	**13.4**	$	15.6	(14%)
Earnings (loss) from operations		**2.8**		(0.2)	1,500%
Adjusted EBITDA(1)		**9.2**		8.7	6%
Cash provided by operations		**12.8**		0.9	1,322%
Free cash flow(1)		**12.0**		0.8	1,400%
PRODUCTION AND SALES					
Electricity (GWh)		**217**		217	-
AVERAGE-REALIZED PRICE(1)					
Electricity ($/MWh)	**$**	**56.30**	$	58.27	(3%)
UNIT OPERATING COSTS(1) ($/MWh)					
Base		**15.50**		14.86	4%
Non-base(2)		**0.45**		2.00	(78%)
		15.95		16.86	(5%)
NET CAPACITY FACTOR (%)		**67**		67	-
SPENDING ON CAPITAL AND SERVICE CONCESSION ARRANGEMENTS(3)					
Sustaining	**$**	**0.8**	$	0.1	700%
Service concession arrangements		**-**		1.9	(100%)
	$	**0.8**	$	2.0	(60%)

(1) For additional information see the Non-GAAP measures section of this release.

(2) Costs incurred at the Boca de Jaruco and Puerto Escondido facilities that otherwise would have been capitalized if these facilities were not accounted for as service concession arrangements.

(3) Includes accruals.

Power production in the first quarter of 217 GWh is unchanged from its year-ago quarterly level, and down marginally from its level in the fourth quarter of 2016. Average-realized prices are lower than the prior year comparable by 3%, due to the strengthening of the Canadian dollar against the U.S. dollar.

First quarter 2017 revenue of $13.4 million is down 14% from its comparable level in 2016, because of first quarter 2016 revenue from construction activity, which had offsetting construction activity expenses recorded in cost of goods sold. This construction activity related to the Puerto Escondido/ Yumuri pipeline under a service concession arrangement, and was completed in 2016.

Unit operating costs in the first quarter of 2017 declined by 5% from their comparable period in 2016, mainly due to the strengthening of the Canadian dollar.

Adjusted EBITDA of $9.2 million in the first quarter of 2017 is up 6% from its comparable level in the first quarter of 2016.

Cash provided by operations of $12.8 million in the first quarter of 2017 compares to cash provided by operations of $0.9 million in the first quarter of 2016. Although no CSA interest or principal payments were made by Energas to Sherritt in the first quarter this year, Energas did make a US$12.6 million payment on other receivables due to Sherritt.

Spending on capital in the first quarter of 2017 was lower than its comparable level a year ago, due to the absence of any service concession spending in the first quarter of 2017.

2017 STRATEGIC PRIORITIES

The table below lists Sherritt's Strategic Priorities for 2017. The 2017 Strategic Priorities reflect the continuing cautious commodity price outlook and the Corporation's responsibility to preserve liquidity, continue to drive down costs, improve organizational effectiveness and execute rational capital allocation plans. Sherritt's purpose, originally communicated in 2014, continues to be ***a low-cost nickel producer that creates sustainable prosperity for our employees, investors and communities***.

Strategic Priorities	2017 Targets	Status
UPHOLD GLOBAL OPERATIONAL LEADERSHIP IN FINISHED NICKEL LATERITE PRODUCTION	Further reduce NDCC at Moa and Ambatovy towards the goal of achieving or remaining in the lowest quartile of global nickel cash costs	First quarter NDCC of US$3.25/lb at the Moa JV represents cash costs at the 30th percentile, while Ambatovy NDCC of US$3.93/lb fell short of its target, due to lower production
	Increase Ambatovy production and predictability over 2017	Production guidance for the year remains in place
	Achieve peer leading performance in environmental, health, safety and sustainability	Improvements to EHSS activities continue. The Lost Time Incident rate in Q1 was an improvement over the 2016 average
OPTIMIZE OPPORTUNITIES IN CUBAN ENERGY BUSINESS	Determine future capital allocation based on results from first two wells drilled on Block 10	First well results have provided constructive data to optimize the drilling of the second well, again targeting the Lower Veloz formation
PRESERVE LIQUIDITY AND BUILD BALANCE SHEET STRENGTH	Finalize long-term Ambatovy equity and funding structure	Agreement on no defaulting shareholder status extended through May 2, 2017
	Optimize working capital and receivables collection	Cuban energy payments received were US$37.6 million in the first quarter of 2017, an improvement over Q4 2016 payments received of US$18.3 million
	Operate Metals and Power businesses to be free cash flow neutral or better	Free cash flow generation of $12.6 million from Moa and Fort site and $12 million from Power in the first quarter of 2017

OUTLOOK

2017 PRODUCTION, UNIT OPERATING COST AND CAPITAL SPENDING GUIDANCE

In 2016, Sherritt made certain modifications to how guidance is presented, showing capital spending estimates in U.S. dollars, as well as their Canadian dollar equivalent. In the quarterly reporting, actual capital spending is presented in Canadian dollars consistent with Sherritt's reporting currency, but estimates and forward looking information continue to be provided in US dollars. This change in presentation is intended to align with Sherritt's capital budgeting practices, and to mitigate the change to capital spending that arises from translation to the Canadian dollar reporting currency. Capital projects in the Metals business are generally U.S. dollar expenditures, while in Oil & Gas, the expenditures are roughly 50% Canadian dollar denominated and 50% U.S. dollar denominated.

In 2017, Sherritt added Unit Operating Cost guidance.

Production volumes, unit operating costs and spending on capital	Guidance at 2016 December 31	Actual 2017 March 31	Revised Projected 2017
Production volumes			
Nickel, finished (tonnes, 100% basis)			
Moa Joint Venture	33,000-34,000	7,680	No change
Ambatovy Joint Venture	48,000-52,000	9,543	No change
Total	81,000-86,000	17,223	No change
Cobalt, finished (tonnes, 100% basis)			
Moa Joint Venture	3,500-3,800	872	No change
Ambatovy Joint Venture	3,800-4,100	808	No change
Total	7,300-7,900	1,680	No change
Oil – Cuba (gross working-interest, bopd)	11,500-12,500	15,213	No change
Oil and Gas – All operations (net working-interest, boepd)	6,400-7,000	8,889	No change
Electricity (GWh, 33⅓% basis)	850-900	217	No change
Unit operating costs			
NDCC (US$ per pound)			
Moa Joint Venture	3.20-3.70	3.25	No change
Ambatovy Joint Venture	3.10-3.70	3.93	No change
Total	3.14-3.70	3.59	No change
Oil and Gas - Cuba (unit operating costs, $ per barrel)	11.00-12.00	8.66	No change
Electricity (unit operating cost, $ per MWh)	18.75-19.50	15.95	No change
Spending on capital (US$ millions)			
Metals – Moa Joint Venture (50% basis), Fort Site (100% basis) (1)	US$28 (38)	US$2 (2)	No change
Metals – Ambatovy Joint Venture (40% basis)	US$45 (61)	US$6 (8)	No change
Oil and Gas	US$55 (73)	US$2 (3)	No change
Power (33⅓% basis)	US$1 (2)	US$1 (1)	No change
Spending on capital (excluding Corporate)	US$129 (174)	US$11 (14)	No change

(1) Spending is 50% of US$ expenditures for Moa JV and 100% expenditures for Fort Site fertilizer and utilities.

NON-GAAP MEASURES

The Corporation uses combined results, Adjusted EBITDA, average-realized price, unit operating cost, and adjusted operating cash flow, and free cash flow to monitor the performance of the Corporation and its operating divisions and believes these measures enable investors and analysts to compare the Corporation's financial performance with its competitors and evaluate the results of its underlying business. These measures do not have a standard definition under IFRS and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As these measures do not have a standardized meaning, they may not be comparable to similar measures provided by other companies. See Sherritt's Management's Discussion and Analysis for the period ended March 31, 2017 for further information.

CONFERENCE CALL AND WEBCAST

Sherritt will hold its quarterly conference call and webcast tomorrow at 10:00 a.m. Eastern Time.

Conference Call and Webcast:	April 27, 2017, 10:00 a.m. ET
North American callers, please dial:	1-800-347-6311
International callers, please dial:	416-642-5211
Live webcast:	www.sherritt.com

An archive of the webcast will also be available on the website. The conference call will be available for replay until May 2, 2017 by calling 647-436-0148 or 1-888-203-1112, access code 8738389#.

COMPLETE FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Sherritt's complete interim condensed consolidated financial statements and MD&A for the three months ended March 31, 2017 are available at www.sherritt.com and should be read in conjunction with this news release.

ABOUT SHERRITT

Sherritt, which is celebrating its 90th anniversary in 2017, is the world leader in the mining and refining of nickel from lateritic ores with projects and operations in Canada, Cuba and Madagascar. The Corporation is the largest independent energy producer in Cuba, with extensive oil and power operations across the island. Sherritt licenses its proprietary technologies and provides metallurgical services to mining and refining operations worldwide. The Corporation's common shares are listed on the Toronto Stock Exchange under the symbol "S".

Source: Sherritt Investor Relations

FORWARD-LOOKING STATEMENTS

This press release contains certain forward-looking statements. Forward-looking statements can generally be identified by the use of statements that include such words as “believe”, “expect”, “anticipate”, “intend”, “plan”, “forecast”, “likely”, “may”, “will”, “could”, “should”, “suspect”, “outlook”, “potential”, “projected”, “continue” or other similar words or phrases. Specifically, forward-looking statements in this document include, but are not limited to, statements set out in the “Outlook” sections of this press release and certain expectations about capital costs and expenditures; production volumes; capital project completion and ramp up dates; future price of key commodities; sales volumes; revenue, costs, and earnings; sufficiency of working capital and capital project funding; results of on-going discussions regarding the partnership structure and future financing arrangements at the Ambatovy Joint Venture; results of discussions regarding timing of ongoing Cuban payments; completion of development and exploration wells; and amounts of certain joint venture commitments.

Forward-looking statements are not based on historic facts, but rather on current expectations, assumptions and projections about future events. By their nature, forward-looking statements require the Corporation to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that predictions, forecasts, conclusions or projections will not prove to be accurate, that those assumptions may not be correct and that actual results may differ materially from such predictions, forecasts, conclusions or projections.

The Corporation cautions readers of this press release not to place undue reliance on any forward-looking statement as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed in the forward-looking statements. These risks, uncertainties and other factors include, but are not limited to changes in the global price for nickel, cobalt, oil and gas or certain other commodities, share-price volatility, level of liquidity and access to capital resources, access to financing, risk of future non-compliance with debt restrictions and covenants; risks associated with the Corporation’s joint venture partners; discrepancies between actual and estimated production; variability in production at Sherritt’s operations in Madagascar and Cuba; potential interruptions in transportation; uncertainty of gas supply for electrical generation; uncertainty of exploration results and Sherritt’s ability to replace depleted mineral and oil and gas reserves; the Corporation’s reliance on key personnel and skilled workers; the possibility of equipment and other failures; the potential for shortages of equipment and supplies; risks associated with mining, processing and refining activities; uncertainty of resources and reserve estimates; uncertainties in environmental rehabilitation provisions estimates; risks related to the Corporation’s corporate structure; political, economic and other risks of foreign operations; risks related to Sherritt’s operations in Madagascar and Cuba; risks related to the U.S. government policy toward Cuba, including the U.S. embargo on Cuba and the Helms-Burton legislation; risks related to amounts owed to the Corporation by the Malagasy and Cuban governments; risks related to the accuracy of capital and operating cost estimates; reliance on significant customers; foreign exchange and pricing risks; compliance with applicable environment, health and safety legislation and other associated matters; risks associated with governmental regulations regarding greenhouse gas emissions; maintaining the Corporation’s social license to grow and operate; risks relating to community relations; credit risks; shortage of equipment and supplies; competition in product markets; future market access; interest rate changes; risks in obtaining insurance; uncertainties in labour relations; uncertainty in the ability of the Corporation to enforce legal rights in foreign jurisdictions; uncertainty regarding the interpretation and/or application of the applicable laws in foreign jurisdictions; legal contingencies; risks related to the Corporation’s accounting policies; risks associated with future acquisitions; uncertainty in the ability of the Corporation to obtain government permits; failure to comply with, or changes to, applicable government regulations; bribery and corruption risks, including failure to comply with the *Corruption of Foreign Public Officials Act* or applicable local anti-corruption law; uncertainties in growth management; risks related to information technology systems; and certain corporate objectives, goals and plans for 2017; and the Corporation’s ability to meet other factors listed from time to time in the Corporation’s continuous disclosure documents. Readers are cautioned that the foregoing list of factors is not exhaustive and should be considered in conjunction with the risk factors described in this press release and in the Corporation’s other documents filed with the Canadian securities authorities.

The Corporation may, from time to time, make oral forward-looking statements. The Corporation advises that the above paragraph and the risk factors described in this press release and in the Corporation’s other documents filed with the Canadian securities authorities should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from those in the oral forward-looking statements. The forward-looking information and statements contained in this press release are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any oral or written forward-looking information or statements, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The forward-looking information and statements contained herein are expressly qualified in their entirety by this cautionary statement.

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